

EXECUTIVE OFFICE,

AUSTIN, March 16, 1874.¹⁹

To the Honorable Senate of the State of Texas:

I respectfully return without my approval Senate bill No. 59, being "An act to authorize and allow the several county courts in this State to build court houses and jails, and make repairs and improvements for the benefit of the county, and to provide funds to defray the expenses of the same," and ask its reconsideration by you.

I recognize, since the adoption of the constitutional amendments which forbid special legislation, the necessity for a general enactment on this subject which shall vest the power in county officers, elected by the people, to raise by taxation when necessary the means to erect and keep in repair public buildings. When we consider how prone men are when invested with power to use it, it will be seen that guarded as well as it may be such a law is not unattended with danger of abuse. The power to levy and collect taxes is the highest attribute of sovereignty, and should not be delegated except upon the clearest necessity and under the most ample restrictions. I believe that the necessity for its delegation exists in this case and that this bill sufficiently guards the grant against abuse, save and except

¹⁹Senate Journal 178, 179.

in sections seven, eight and nine, which authorize the issuance of county bonds. I believe that so long as the actual expenditure is confined to the amount levied and collected from the people by taxation in any one year the sense of accountability to the people will always restrain the county court from extravagance, but that when the county courts are authorized to issue bonds which will necessitate *future* taxation, after those composing the court have perhaps ceased to be officers and the responsibility of providing for the payment of the debt is or may be devolved upon others, that sense of accountability which is the surest guaranty of economy and integrity is very much lessened and weakened. It is a well known fact in every business that there is a wide margin between cash and credit. He who buys on credit and gives his note not only must pay interest but must pay more for the article than is paid by the purchaser for cash. This margin is much greater in public than in private transactions. Let the calculation be made of the highest value that county bonds would probably bring in the market, then add ten per centum per annum interest, and I venture the assertion that for every bond of one hundred dollars issued, on an average, not more than fifty dollars would be realized, yet the entire one hundred dollars, with the interest on it, would have to be paid in full by the tax payers. The difference between the amount realized and the sum sufficient to pay the bond in full is the price paid by the county for the credit. As a financial transaction, certainly nothing short of an absolute necessity can justify it.

Power to raise money by issuing and selling bonds presents an inducement to extravagance which a necessity for a direct call upon the tax payer would restrain, and when to this extravagant expenditure is added the price paid for the privilege of raising money in that way it will be seen how rapidly county indebtedness would increase. Under existing laws giving no such facilities for contracting debt, the indebtedness of the counties in Texas would aggregate a very large amount, an amount so great, indeed, that your honorable bodies now have under consideration a bill requiring the debt of the various counties to be funded. The States of this Union, especially those of the Northwest, are oppressed with municipal and county debt to such an extent that taxation to meet the interest is enormous and most oppressive, all growing out of the issuance of bonds and the facility for getting money to be paid back in *future*. I would deprecate very much the inauguration of a policy which would start Texas on the highway to results now so much deplored by our neighbors. I infinitely prefer that our county courts should remain ignorant of any other mode of raising money than by taxation, and that

the people should know each year, through the taxes they pay, whether their officers are extravagant or economical.

If we pay as we go, we get the full value of our money and at the same time are independent. We can offer no higher inducement to immigrants than light taxes and an assurance that when they settle in Texas they are not mortgaged for all time to bond holders. If facilities and inducements for debt and extravagance are withheld, Texas will remain free from the mania everywhere prevalent of going too fast, resulting finally in collapse, and her growth and prosperity will be healthy, solid and enduring.

I can see no objection to this bill, if the clauses authorizing bond issues are stricken out.

Very respectfully,

RICHARD COKE.